

**TENNESSEE VALLEY AUTHORITY
NOTICE OF PUBLIC AUCTION**

**FONTANA RESERVOIR
TVA TRACT NO. XFR-9**

WHEREAS, in accordance with Section 31 of the Tennessee Valley Authority ("TVA") Act of 1933, as amended, the TVA Board of Directors, through its designee the Chief Executive Officer, has approved the sale of a tract of land to be used for public water treatment facility purposes only, containing approximately 2.61 acres, more or less, located on Fontana Reservoir in Graham County, North Carolina, specifically described in Exhibit B and shown on Exhibit C, both of which are attached hereto and made a part hereof, and identified in TVA land records as TVA Tract No. XFR-9 (the "Property");

NOW, THEREFORE, notice is hereby given that TVA, as legal agent of the United States of America, will sell the Property at public auction in accordance with the Terms of Public Auction contained in Exhibit A, which is attached hereto and made a part hereof.

The auction will be held at the Graham County Courthouse in Robbinsville, North Carolina, on May 31, 2012, at 1 p.m. EDT.

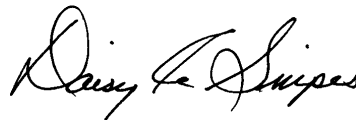
The Property will be sold to the qualified bidder offering the highest bid for cash (checks accepted).

In order to qualify to bid, TVA must receive from each prospective bidder no later than midnight on May 24, 2012, (1) a letter of intent to bid and (2) credentials, satisfactory to TVA in its sole discretion, evidencing the ability of the prospective bidder to close the sale. The letter of intent to bid and credentials must be sent by United States certified mail or by a recognized overnight courier service that provides a receipt of delivery. Prospective bidders who fail to qualify will be notified prior to the auction.

The Property will be conveyed by Special Warranty Deed subject to such terms and conditions, covenants, restrictions, reservations, exceptions, and/or limitations as are specifically set forth in said Exhibit A and as may be announced on the day of the auction

Signed this 30th day of April, 2012.

TENNESSEE VALLEY AUTHORITY
legal agent of the
UNITED STATES OF AMERICA



DAISY A. SNIPES, Senior Manager
Realty, GIS and Land Records

The Notice of Public Auction can be obtained from the TVA website at <http://www.tva.gov/surplus/realestate.htm>. For further information regarding the sale and bid requirements, to inspect the Property, or to submit bid qualifications, contact: Michael B. Tindle, TVA Realty, GIS and Land Records, SP 3L, 1101 Market Street, Chattanooga, TN 37402-2801.

Telephone: 423.751.6317 or Toll Free: 1.888.817.5201 Fax: 423.751.9519 E-mail: mbtindle@tva.gov